

Message Text

PAGE 01 NATO 03206 052119 Z

67

ACTION EUR-25

INFO OCT-01 ADP-00 CIAE-00 PM-07 INR-10 L-03 NEA-10

NSAE-00 PA-03 RSC-01 PRS-01 USIA-12 TRSE-00 MBFR-03

SAJ-01 SS-15 NSC-10 OMB-01 EB-11 RSR-01 /115 W

----- 003202

R 051957 Z JUL 73

FM USMISSION NATO

TO SECSTATE WASHDC 714

SECDEF WASHDC

INFO ALL NATO CAPITALS 3104

AMEMBASSY VALLETTA

USCINCEUR

USDOCOSOUTH

USNMR SHAPE

C O N F I D E N T I A L USNATO 3206

E. O. 11652: GDS

TAGS: EFIN, MT, NATO

SUBJECT: MALTA: PROPOSAL REGARDING ITALIAN SPECIAL
PAYMENTS

REF: A) STATE 89455; B) USNATO 2215

SUMMARY: AT JULY 4 MEETING OF REPRESENTATIVES OF FIVE
CONTRIBUTING COUNTRIES PLUS UK, ITALIAN REP INDI-
CATED THAT LIRA DECLINE WOULD MEAN THERE WOULD BE NO
SURPLUS LIRA AFTER PURCHASING POUNDS FOR ITALIAN
SPECIAL PAYMENT OCTOBER 15. HIS GOVERNMENT NEVERTHELESS
PROPOSED, IF THE COUNCIL AGREED, TO MAKE AN ITALIAN
SPECIAL PAYMENT IN THE AMOUNT OF THE MAY PAYMENT.
OTHER REPS AT THE MEETING REACTED NEGATIVELY TO THIS
ITALIAN PROPOSAL, BUT AGREED TO MEET AGAIN JULY 19
ON BASIS OF NATIONAL INSTRUCTIONS. ACTION REQUESTED:
INSTRUCTIONS IN TIME FOR JULY 19 MEETING. END SUMMARY

1. AT ITALIAN INITIATIVE, REPRESENTATIVES OF THE
CONFIDENTIAL

PAGE 02 NATO 03206 052119 Z

FIVE COUNTRIES MAKING CONTRIBUTIONS TO MALTA PLUS UK
MET JULY 4. ITALIAN REP INDICATED THAT IN VIEW OF
ALLIED REACTIONS, HIS GOVERNMENT HAD SET ASIDE
ITS EARLIER PROPOSAL (REF B) THAT ALL CONTRIBUTORS OFFER

MALTA SPECIAL PAYMENTS FOR THE LIFE OF THE UK- MALTA AGREEMENT AND " FREEZE" SUCH PAYMENTS AT THE LEVEL ILLUSTRATIVE FIGURES GIVEN TO MINTOFF JANUARY 10.

2. ITALIAN REP CONTINUED, HOWEVER, THAT THIS GOVERNMENT NOW HAD ANOTHER PROPOSAL WHICH HE SAID WOULD CONCERN ITALY ALONE. BECAUSE OF THE LIRA' S DOWNWARD MOVEMENT RELATIVE TO THE POUND, THERE WAS NO POSSIBILITY OF A MARGIN FOR AN ITALIAN SPECIAL PAYMENT TO MALTA ON OCTOBER 16 AFTER PURCHASING POUNDS TOWARD THE OCTOBER 1 REGULAR PAYMENT. ITALY FEARED THAT WHEN IT WAS NOT AMONG THE SPECIAL CONTRIBUTORS IN OCTOBER, THERE WOULD BE DIFFICULTIES WITH MALTA INVOLVING, ITALY, THE UK AND THE ALLIANCE AS A WHOLE.

3. TO AVOID SUCH DIFFICULTIES ITALY WAS PREPARED TO MAKE A SPECIAL CONTRIBUTION IN OCTOBER IN THE AMOUNT OF ITS MAY CONTRIBUTION, BUT RECOGNIZED THAT IT WOULD REQUIRE COUNCIL AGREEMENT TO TAKE THIS STEP. ITALY THEREFORE PROPOSED THAT THE COUNCIL AGREE TO AMEND ITS PRIOR AGREEMENT REGARDING SPECIAL PAYMENTS TO THE EFFECT THAT IF A CONTRIBUTOR HAVING NO SURPLUS AFTER BUYING POUNDS TOWARD THE REGULAR AGREEMENT NEVERTHELESS WERE WILLING TO MAKE A SPECIAL PAYMENT, THAT GOVERNMENT COULD DO SO IN AN AMOUNT NO HIGHER THAN ITS PAST SPECIAL PAYMENTS.

4. ITALIAN REP CONCLUDED BY ASKING FOR PRELIMINARY COMMENTS, REQUESTING SUBMISSION OF ITALIAN PROPOSAL TO GOVERNMENTS, AND SUGGESTING ANOTHER MEETING IN ABOUT TWO WEEKS.

5. NETHERLANDS REP OBSERVED AND FRG AGREED THAT ITALIAN PROPOSAL WOULD ENCOURAGE MINTOFF TO PRESSURE ALL CONTRIBUTORS FOR MORE. BELGIAN REP SAID HE WOULD REPORT THE ITALIAN PROPOSAL, BUT THAT IT WOULD BE IMPORTANT THAT SUCH AN ITALIAN PAYMENT NOT CONFIDENTIAL

PAGE 03 NATO 03206 052119 Z

SET A PRECEDENT. OTHERS REPLIED THAT THE ITALIAN IDEA WOULD BE BOUND TO SET A PRECEDENT.

6. CHAIRMAN (COHEN OF INTERNATIONAL STAFF) WONDERED IF ITALIANS COULD NOT SIMPLY MAKE A SEPARATE PAYMENT WITH NO REFERENCE TO THE SPECIAL PAYMENTS AGREEMENT, BUT UK AND OTHERS POINTED OUT THAT MINTOFF WOULD REGARD SUCH A PAYMENT AS PART OF THE SPECIAL CONTRIBUTIONS, AND THE EFFECT WOULD THEREFORE BE THE SAME.

7. U. S. REP DREW ON GUIDANCE IN REF A AND PREVIOUS AGAINST CHANGING THE BASIS FOR MAKING SPECIAL PAYMENTS. HE POINTED OUT THAT THE U. S. COULD WELL

BE UNDER THE HEAVY IMMEDIATE PRESSURE FROM MINTOFF
IF THE ITALIAN PROPOSAL WERE ACCEPTED, BUT SAID THAT
THIS WAS A PROBLEM FOR ALL CONTRIBUTORS SINCE NO
ONE COULD PREDICT EXACTLY HOW EXCHANGE RATES WOULD
FLUCTUATE. HE BELIEVED IT ESSENTIAL TO MAINTAIN
ALLIANCE SOLIDARITY AND A UNITED FRONT OF CONTRI-
BUTORS AS REGARDS SPECIAL PAYMENTS. HE SAW VIRTUALLY
SAME DISADVANTAGES WITH THIS ITALIAN PROPOSAL AS
WITH EARLIER ONE, PARTICULARLY AS REGARDS PRINCIPLES
INVOLVED.

8. IT WAS AGREED THAT THE GROUP WOULD MEET AGAIN
JULY 19 ON INSTRUCTED BASIS. FOR THAT MEETING WE
WOULD APPRECIATE SPECIFIC GUIDANCE ON THIS LATEST
ITALIAN PROPOSAL.
PRENDERGAST

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 02 APR 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 05 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973NATO03206
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: n/a
From: NATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730767/abqcebcd.tel
Line Count: 127
Locator: TEXT ON-LINE
Office: n/a
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A) STATE 89455; B) USNATO 2215
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 13 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13-Aug-2001 by kellerpr>; APPROVED <20-Sep-2001 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MALTA: PROPOSAL REGARDING ITALIAN SPECIAL PAYMENTS
TAGS: EFIN, MT, NATO
To: STATE
SECDEF INFO ALL NATO CAPITALS
VALLETTA
USCINCEUR
USDOCOSOUTH
USNMR SHAPE
Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005